



# STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE ENROLLED BILL ANALYSIS

**DRAFT**

Date Amended:	<b>Enrolled</b>	Bill No:	<b>AB 1813</b>
Tax:	<b>Environmental Fee</b>	Author:	<b>Assembly Budget Committee</b>
Related Bills:	<b>AB 1803 (Ch. 77) AB 3076 (AR&amp;T)</b>		

## BILL SUMMARY

This Budget trailer bill clarifies that the expansion of the environmental fee to include other business organizations, as enacted by AB 1803 (Ch. 77, Stats. 2006), will first apply beginning the 2007 calendar year.

## ANALYSIS

### Current Law

Prior to July 18, 2006, Health and Safety Code Section 25205.6 required the Department of Toxic Substances Control (DTSC) to provide the Board with a schedule of codes that consisted of the types of corporations that use, generate, store, or conduct activities in this state related to hazardous materials. Each corporation of a type identified in the schedule adopted by the DTSC pays an annual fee if that corporation employs 50 or more employees in this state who are each employed for more than 500 hours during the calendar year.

Effective July 18, 2006, Assembly Bill 1803 (Ch. 77, Stats. 2006) amended Health and Safety Code Section 25205.6 to expand the imposition of the environmental fee to organizations, which includes corporations, limited liability companies, limited partnerships, limited liability partnerships, general partnerships, and sole proprietorships. While AB 1803 was effective July 18, 2006, the fee revenues were not intended to increase in the 2006-07 fiscal year.

### Proposed Law

This bill contains an uncodified section that specifies that it is the intent of the Legislature that the amendment to Section 25205.6 of the Health & Safety Code (Ch. 77, Stats. 2006), which expanded the class of businesses subject to the fee imposed by that section, shall apply for the first time to the fee that is due for the 2007 calendar year. The fee for the 2007 calendar year is due no later than February 29, 2008.

The provisions of this bill would become effective immediately.

## COMMENTS

- 1. Sponsor and Purpose.** This budget trailer bill is intended to clarify that the amendments to Health and Safety Code Section 25205.6 made by AB 1803 are to apply to the newly affected class of businesses for the 2007 calendar year.

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*This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position.*

2. **Key amendments.** The **August 22, 2006 amendments** added the Legislative intent language specifying that the environmental fee was to apply to organizations for the first time for the 2007 calendar year. Only corporations are subject to the environmental fee for the 2006 calendar year.
3. **Related legislation.** AB 3076 (AR&T), as amended August 10, 2006, would make technical amendments to Section 43152.9 of the Revenue and Taxation Code regarding the reporting requirements for those newly added organizations (i.e. limited liability companies, limited partnerships, limited liability partnerships, general partnerships, and sole proprietorships) that are subject to the environmental fee.

### **COST ESTIMATE**

There are no costs associated with this bill.

### **REVENUE ESTIMATE**

The provisions in this bill will have no impact on state revenues.

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